

**BOARD OF ECONOMIC DEVELOPMENT
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD
TUESDAY, MAY 13, 2014 – 9:30 AM CT**

Members Present

Chairman Jeff Erickson, Tony Klein, Sharon Casey, John Calvin, Tom Burchill, Mike Luken, Greg Heineman, Tim Kessler, Ted Hustead, Don Kettering, Pat Prostrullo, Rob Skjonsberg, David Lust, and Tom Jones

Staff Present

Kim Easland, Travis Dovre, Ashley Moore, Cherissa Nielson, Dale Knapp, Hunter Roberts

Other Staff Present

Mandy Kuipers- BankWest, Inc.

Call to Order

Chairman Erickson called the meeting to order at 9:30 AM.

Agenda

A motion was made by Mike Luken and seconded by Tom Burchill to approve the agenda as presented.

Motion passed by a roll call vote.

Minutes

A motion was made by Pat Prostrullo and seconded by Tim Kessler to approve the minutes of the meetings held April 8, 2014 and May 1, 2014 as presented.

Motion passed by a roll call vote.

Clausen & Rice, LLP Accounting Contract

Discussed and tabled pending an explanation.

Executive Session

A motion was made by John Calvin and seconded by Tony Klein to enter into executive session at 9:37 am to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

Motion passed by a roll call vote.

Executive Session Report

The Chairman declared the board out of executive session at 10:30 am. The Chairman reported that the Board of Economic Development entered into Executive Session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

A motion was made by Tim Kessler and seconded by Don Kettering to approve the chairman's report from executive session.

Motion passed by a roll call vote.

Clausen & Rice, LLP Accounting Contract

A motion was made by Tony Klein and seconded by Tom Burchill to approve the Clausen & Rice, LLP contract for accounting services as amended.

Motion passed by a roll call vote.

Loan Reviews

Buhler Industries, Inc, TTJ Properties, LLC and Steck Wholesale Foods, Inc.

A motion was made by Pat Prostrullo and seconded by Don Kettering to approve the loan reviews and recommendations as presented.

Motion passed by a roll call vote.

Old Business

Bel Brands USA, Inc.

A motion was made by Ted Hustead and seconded by Greg Heineman to approve adjusting the interest rate as presented.

Motion passed by a roll call vote.

Vermillion Area Chamber & Development Company

A motion was made by Pat Prostrullo and seconded by Tom Burchill to approve extending the loan commitment 6 months.

Motion passed by a roll call vote.

New Business

Consumers Supply Distributing, LLC

A motion was made by Mike Luken and seconded by Don Kettering to approve the Reinvestment Payment application of Consumers Supply Distributing, LLC as recommended by staff in the board packet.

Consumers Supply Distributing, LLC

- Based on the representations and project description contained in the application for reinvestment payment, including but not limited to the representations concerning jobs created or retained and wages and benefits to be paid, the request of Consumers Supply Distributing, LLC for an equipment upgrades reinvestment payment of \$240,852.00, but not to exceed the State Sales and Use Tax paid on eligible equipment costs, is approved for Consumers Supply Distributing, LLC. The project as completed must be substantially similar to the project described in the application and must comply with the deadlines set out SDCL Ch. 1-16G and ARSD Ch. 68:02:07. The board has considered the factors set out in SDCL 1-16G-59 and ARSD 68:02:07:04 and the likelihood the project would not be located in South Dakota absent the reinvestment payment. Staff is authorized to issue a permit consistent with the application, this approval and the applicable provisions of SDCL Ch. 1-16G and ARSD Ch. 68:02:07.

Motion passed by a roll call vote.

Campbell County Wind Farm, LLC

A motion was made by Sharon Casey and seconded by Tim Kessler to approve the Reinvestment Payment application of Campbell County Wind Farm, LLC as recommended by staff in the board packet

Campbell Count Wind Farm, LLC

- Based on the representations and project description contained in the application for reinvestment payment, including but not limited to the representations concerning jobs created or retained and wages and benefits to be paid, a new or expanded facility reinvestment payment of \$3,883,683.00, but not to exceed 75% of the State Sales and Use Tax paid on eligible project costs, is approved for Campbell County Wind Farm, LLC. The project as completed must be substantially similar to the project described in the application and must comply with the deadlines set out

SDCL Ch. 1-16G and ARSD Ch. 68:02:07. The board has considered the factors set out in SDCL 1-16G-59 and ARSD 68:02:07:04 and the likelihood the project would not be located in South Dakota absent the reinvestment payment. Staff is authorized to issue a permit consistent with the application, this approval and the applicable provisions of SDCL Ch. 1-16G and ARSD Ch. 68:02:07.

Motion passed by a roll call vote.

Carl V. Carlson Company

A motion was made by Don Kettering and seconded by Tim Kessler to deny the Reinvestment Payment application to Carl V. Carlson Company as recommended by staff in the board packet.

Motion passed by a roll call vote.

Satern Properties, LLC

A motion was made by Pat Prostrullo and seconded by John Calvin to approve the loan request from Satern Properties, LLC in the amount of \$220,000. Secured by a shared first on real estate and personal guarantees of principals with 10% or more ownership and a corporate guarantee

The loan is approved according to the terms and conditions of the commitment letter and that all documents may be executed on behalf of the Board by the Commissioner of the Governor's Office of Economic Development or the Commissioner's designee.

Motion passed by a roll call vote.

Bills

A motion was made by Ted Hustead and seconded by Mike Luken approve the bill payable to BankWest, Inc. in the amount of \$11,000.00 for the April Servicing.

Motion passed by a roll call vote.

Adjourn

A motion was made by Tony Klein and seconded by Tom Burchill to adjourn the meeting at 10:40 am.

Motion passed by a roll call vote.



Dale Clement, Secretary or
Tony Klein, Treasurer